GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3570
ANSWERED ON:16.12.2005
GUIDELINES FOR FINANCIAL INSTITUTIONS
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Will the Minister of FINANCE be pleased to state:

(a) whether there are any guidelines for financial institutions in considering applications from small entrepreneurs for the grant of loans to enable them to set up their industries ;

(b) if so, the details thereof ;

(c) whether different guidelines are adopted in respect of different categories of entrepreneurs; and

(d) if so, the details in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b) The Reserve Bank of India (RBI), on 20th May 2005: has advised all Scheduled Commercial Banks and SLBC Convenor Banks to initiate early implementation of a scheme for `Small Enterprises Financial Centres (SEFCs)`. Under the scheme, banks are encouraged to establish mechanisms for better co-ordination between their,branches and branches of Small Industries Development Bank of India (SIDBI) which are located in the clusters identified by the Ministry of Small Scale Industries for co-financing of small and medium enterprises (including tiny and services sector) on mutually agreeable operational modalities to be worked out by SIDBI and the strategic partner banks.The SIDBI had initially decided to implement the scheme in 149 clusters and has so far executed MOU with 9 banks.

(c) No, Sir.

(d) Does not arise.